



Short Takes on Hot Topics

2025 Municipal Association of SC
Annual Meeting
Hilton Head Island, SC

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The information provided here is for informational and educational purposes and current as of the date of publication. The information is not a substitute for legal advice. Consult your attorney for advice concerning specific situations.



Business Licensing

Caitlin Cothran

Manager for Local Revenue Services



Municipal Association
of South Carolina

APPENDIX B

Classes 1 – 8: Business License Class Schedule by NAICS Codes

NAICS Sector/Subsector	Industry Sector	Class
11	Agriculture, forestry, hunting and fishing	1
21	Mining	3
22	Utilities	1
31 - 33	Manufacturing	3
42	Wholesale trade	1
44 - 45	Retail trade	1
48 - 49	Transportation and warehousing	2
51	Information	4
52	Finance and insurance	7
53	Real estate and rental and leasing	6
54	Professional, scientific, and technical services	4
55	Management of companies	7
56	Administrative and support and waste management and remediation services	3
61	Educational services	3
62	Health care and social assistance	3
71	Arts, entertainment, and recreation	3
721	Accommodation	1
722	Food services and drinking places	2
81	Other services	3
Class 8	Subclasses	
23	Construction	8.1
482	Rail Transportation	8.2
517111	Wired Telecommunications Carriers	8.3
517112	Wireless Telecommunications Carriers (except Satellite)	8.3
517122	Agents for Wireless Telecommunications Services	8.3
5241	Insurance Carriers	8.4
5242	Insurance Brokers for non-admitted Insurance Carriers	8.4
713120	Amusement Parks and Arcades	8.51
713290	Nonpayout Amusement Machines	8.52
713990	All Other Amusement and Recreational Industries (pool tables)	8.6

2025 Class Schedule is based on a three-year average (2019 - 2021) of IRS statistical data.

Class Schedule Updates

§6-1-400(G)(1)

By December thirty-first of every odd year, a taxing jurisdiction levying a business license tax **shall adopt, by ordinance**, the latest Standardized Business License Class Schedule as recommended by the Municipal Association of South Carolina and adopted by the Director of the Revenue and Fiscal Affairs Office.



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Class Schedule Updates

- Updated every two years
- Must be approved by ordinance
Make sure you are using the correct ordinance
- Will not use the new schedule until 2026
- www.masc.sc keywords: business license class schedule update



NAICS Code	Industry Sector	2023 Class	2025 Class	Difference	
11	Agriculture, forestry, hunting and fishing	1	1	0	
21	Mining	2	3	1	HIGHER
22	Utilities	1	1	0	
23	Construction	Special class 8.1		Natural class 2	
31-33	Manufacturing	3	3	0	
42	Wholesale trade	1	1	0	
44-45	Retail trade	1	1	0	
48-49	Transportation and warehousing	1	2	1	HIGHER
51	Information	4	4	0	
52	Finance and insurance	7	7	0	
53	Real estate and rental and leasing	7	6	-1	LOWER
54	Professional, scientific, and technical services	5	4	-1	LOWER
55	Management of companies	7	7	0	
56	Administrative and support and waste management and remediation services	3	3	0	
61	Educational services	3	3	0	
62	Health care and social assistance	4	3	-1	LOWER
71	Arts, entertainment, and recreation	3	3	0	
721	Accommodation	1	1	0	
722	Food services and drinking places	2	2	0	
81	Other services	4	3	-1	LOWER





2025

- Use 2022 NAICS
- Use 2023 Class Schedule

To Do: Pass new class schedule for 2026
(New ordinance required)



2030

- Use 2027 NAICS
- Use 2029 Class Schedule



2026

- Use 2022 NAICS
- Use 2025 Class Schedule



2031

- Use 2027 NAICS
 - Use 2029 Class Schedule
- To Do:** Pass new class schedule for 2032
(New ordinance required)



2027

- Use 2022 NAICS
- Use 2025 Class Schedule

To Do: Pass new class schedule for 2028
(New ordinance required)



2032

- Use 2027 NAICS
- Use 2031 Class Schedule



2028

- Use new 2027 NAICS
- Use 2027 Class Schedule

To Do: Verify all NAICS codes to make
sure they are accurate.



2033

- Use new 2032 NAICS
 - Use 2031 Class Schedule
- To Do:** Verify all NAICS codes to make
sure they are accurate and pass
new class schedule for 2034
(New ordinance required)



2029

- Use 2027 NAICS
- Use 2027 Class Schedule

To Do: Pass new class schedule for 2030
(New ordinance required)



2034

- Use 2032 NAICS
- Use 2033 Class Schedule

Business License Updates

- AirBnB, short term rentals
- Real estate brokers-in-charge



Resources

- Business License Handbook
- Business Licensing Essentials
- SC Business Licensing Officials Association
- Business Licensing in SC page





Budget Proviso 98.9

Eric Shytle
General Counsel

Proviso 98.9: RFA Filing

- SC Code § 5-7-240 requires annual audits of municipal financial statements.
- REMINDER that in 2023 the General Assembly amended this provision to allow “less than audits” for municipalities with less than \$500,000 (inflation-adjusted) in total recurring revenue.
- S.C. Code § 6-1-50 requires that the municipality file the audit/compilation with Revenue and Fiscal Affairs.
- Failure to file timely results in “the withholding of ten percent of subsequent payments of state aid.”



Proviso 98.9: STO Filing

- S.C. Code § 14-1-208 requires municipalities with a court system to include a court assessment report in the audit/compilation.
- The report must identify all fines and assessments collected at the court level, the amount remitted to the municipal treasurer, and the amount remitted to the State Treasurer.
- The section also requires filing a monthly report on court assessments.



Proviso 98.9: 2024 Version

- If a municipality fails to submit the audited financial statements required under Section 14-1-208 to the State Treasurer within thirteen months of the end of their fiscal year, the State Treasurer must withhold all state payments to that municipality until the required audited financial statement is received.
- If a county or municipality is more than ninety days delinquent in remitting a monthly court fines report, the State Treasurer shall withhold twenty-five percent of state funding for that county or municipality until all monthly reports are current.
- After ninety days, any funds held by the Office of State Treasurer will be made available to the State Auditor to conduct an audit of the entity for the purpose of determining an amount due to the Office of State Treasurer, if any.
- The penalty provisions in this proviso are suspended during Fiscal Year 2024-25 for municipalities. The State Treasurer is authorized and directed to release all funds withheld from municipalities in the prior two fiscal years due to a municipality not submitting the required audited financial statements or submitting financial information to the Revenue and Fiscal Affairs Office as required by Section 6-1-50 of the 1976 Code.



Proviso 98.9: 2025 Version

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Small City Summit Financial Statements

Desirée Fragoso
Field Services Manager

Small City Summit

- Wednesday, August 13 at Columbia Convention Center
- Deadline to register – Friday, August 1
- \$50 registration (includes lunch)
- Important topics
 - Forms of Government and Defining Your Role
 - Human Resources 101
 - Financial Management
 - Small Business and Community Growth



Effective Financial Management

- Monthly financial reconciliation and reporting = transparency, accountability and long-term stability
- Quick Checklist:
 - Reconcile all bank accounts, credit cards, and investment accounts
 - Review budget vs. actuals by department and by fund
 - Investigate and explain variances over 10% or a set threshold
 - Prepare a summary dashboard or highlights page for council
 - Send the report to council prior to the next meeting
 - Archive reports for future audits and reference





Elections Onboarding Civility

Charlie Barrineau
Senior Field Services Manager



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Municipal Elections

- 182 (67%) Nov. odd year
- 30 (11%) Nov. even year (state)
- 11 (7%) April odd year
- 19 (4%) April even year
- 29 (11%) others



Municipal Elections

- If you still maintain a Municipal Election Commission (MEC), check the status.
- Early ONBOARDING of new (and old) members is critical for your success...let the Association help.
- State Ethics Act - “A person may not use or authorize the use of public funds, property, or time to influence the outcome of an election,” according to SC Code Section 8-13-1346(A)



Civility Reminder

- **Building Relationships.** Cultivating trusting relationships with others involved in an issue takes time, but the effort is worth it and will pay off in the future.





Social Media

Desirée Fragoso
Field Services Manager

Social Media Best Practices

- Can be scary, but it doesn't have to be
- Have city social media use policy
- Personal accounts - stick to public service announcements, photos and posts about what you did, upcoming city events, re-post official city posts, links to highlights about your city, etc.
- Emergency situations require unified voice
- Don't disclose confidential information
- When in doubt – have someone review your post or don't post





Executive Sessions FOIA

Eric Shytle
General Counsel

Executive Sessions: Refresher

- Executive sessions must be properly noticed, authorized, and limited to specific statutory grounds.
- Only members have a qualified right to attend executive session; others may be invited.
- No final action or vote may be taken in executive session.
- Conversations must stay within the stated purpose.



Executive Sessions: Confidentiality

- Disclosing confidential information from executive session is a breach of ethical duty and fiduciary responsibility. It may lead to censure, removal from leadership roles, or a civil lawsuit.
- Unauthorized disclosure (especially of legal advice, contract negotiations, or personnel matters) can expose the municipality to lawsuits, lost bargaining power, or compromised legal strategy.
- Breaches of confidentiality can create internal distrust, chill open discussion, and undermine the integrity of the body's deliberations.



Questions?

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